

INTRODUCTION

I. Leading transformational change

Robert Louis Stevenson once wrote: “Wherever we are, it is but a stage on the way to somewhere else, and whatever we do, however well we do it, it is only a preparation to do something else that shall be different”

As I begin my forth year in my term as Mayor of this great city, I am filled with humility, pride and great optimism for what lies ahead for us.

Looking back at where we were three years ago and what it took to get us where we are today, I know it is my responsibility to focus on what worked for us and set the course for where it is we need to go from here.

If there was any one characteristic that has helped us achieve our current successes, it was certainly teamwork. As a city, as a community, we are no longer concerned with who gets credit for our achievements, but rather that we have achievements to our credit. When the private sector, government sector, service sector, faith based community and our constituents share a common vision, placing our hands on the same rope and pulling with all our might in the same direction, we will not be denied success.

This administration has demonstrated that it will not shy away from tackling some very long-standing, chronic issues. We know that ignoring problems will only make them worse and we refuse to accept that fate.

Bringing El Paso Together: Finding common ground

II. ASARCO

- Andre Gide once said that “Nothing is good for everyone, but only relatively to some people.” Such is the case of ASARCO. The temptation of creating several hundred good paying jobs that would certainly benefit some has been weighed against the damage to our community’s physical and economic health.
- The debate regarding the reopening of Asarco pre-dates this administration and is premised upon the true belief that a copper smelting plan in the heart of the urban center is simply not appropriate – from a public and environmental health perspective as well as an economic development and quality of life perspective.
- We remain steadfast in our opposition to the reopening of this facility. This is about the future of our community and its economy. The fundamental questions are ‘do we want this type of industry in the urban center, given its past history of poor environmental performance?’ and ‘are we willing to risk other economic opportunities now emerging in our society?’

III. Economic Regionalism

Upon taking office three years ago, I asked the community to take a regional approach to economic development. It is understood that we could no longer look at El Paso as an island unto itself, but rather must embrace our regional economic development partners. The Regional Economic Development

Corporation, the City's Economic Development Department, the Chambers of Commerce and Workforce Solutions joined with our counterparts in Juarez and New Mexico in working cooperatively for the benefit of all.

Despite national trends, our regional economy remains stable and vibrant. The Maquila industry on both sides of the border has seen a resurgence of activity following many years of economic losses as the result of NAFTA. Today, both Ciudad Juarez and El Paso are moving aggressively forward in our efforts to re-vitalize our downtowns. The Paul Foster School of Medicine and Children's Hospital at Thomason are definitely diamonds in the Medical Center of the Americas' crown. I predict that the MAC over the next decade will do more to elevate the economy of our region than that all of our other accomplishments combined.

I can not praise our economic development partners enough. Indisputably, the Paramount economic development story has been Base Realignment and Closure. Understanding the economic impact Ft. Bliss has on our region, we formed an A Team, each member with his or her own assigned discipline. We convinced the Pentagon that we were ready, willing, and able to partner with the Department of Defense's efforts to "transition our military".

BRAC

Speaking of BRAC, the Pentagon asked us to concentrate on six challenge areas:
Housing + Water + Medical Services + the Education System+ Transportation + Employment Opportunities

Housing has been a huge focus for El Paso's community stakeholders to assure we can accommodate the off-post housing demand for the Fort Bliss soldiers and their families. With the potential of more than 20,000 soldiers living outside the gates, our construction and development experts at the City remain focused on helping the private sector to meet our commitments by streamlining our permit and inspection process in addition to expediting the subdivision plan review. In 2007 alone, 6,090 residential lots were made available in recorded subdivisions. That is 75% of the total made available from 2002 to 2006 – all of this accomplished in one year!

To assure our success, the **Regional Growth Management Plan**, funded by the Federal Government, is designed to help the City proactively plan for the 28,000 troops and their families coming to the region and to help us mitigate any problems before they arise.

The Kay Bailey Hutchinson DeSal Plant and other investments in our water and waste water systems have set aside any fears that Fort Bliss or El Paso would be left without **water resources**.

We applaud Tenet's investment in a new eastside hospital. This type of private sector investment is needed to address the influx of troops who will want to use the Tri Care system as an option to Beaumont. The TT Medical School, UTEP's School of Health Sciences and EPCC medical training programs are certain to play an important role in satisfying the **medical needs** of Bliss and El Paso.

Record setting voter approved capital improvement bond issues, coupled with efforts to attract and retain qualified teachers and support personnel will assure that we meet and exceed the **educational expectations** of incoming families and our own citizens.

Governor Perry's millions? Investment in the Biggs Field/Airport Road/Fred Wilson was the catalyst for Spur 601 which will build a **highway** connecting the Patriot Freeway to the Purple Heart Freeway.

And **Workforce Solutions** of the Upper Rio Grande, has coordinated development of some innovative training programs that should assist military spouses to be competitive when looking for work in El Paso

- When you consider the unparalleled growth in numbers:
 - A total population increase by 2012 of almost 66,000 people
 - Over 43,000 jobs being added to the regions economy
 - And by 2013, Fort Bliss representing a total conservative economic impact on El Paso of \$6.3B annually
- It is obvious we have a unique opportunity for growth on our hands.

Medical Center of the Americas

Our vision to become the MCA, the Mecca for medical services to Northern Mexico, Southern New Mexico and far West Texas is more than a decade old. You might recall a community, staggering from the NAFTA blow that almost took us out of the fight, meeting at UTEP to come up with a plan for the future economic progress of our city. The resulting plan, the Medical Center of the Americas plan, had a four-year medical school component, a children's hospital component, a biomedical research and development component, and a concentration of medical services on a centralized campus.

Our progress toward success is a matter of record. To whom would I attribute our successes? Philanthropists like Paul Foster, Woody Hunt, and J.O. Stewart. Our community's persistent political leadership and an undaunted community optimism that was ready for change and refused to take no for an answer.

Downtown Revitalization

- Since the downtown revitalization plan was approved in Dec 2006 we have:
Established the Tax Increment Reinvestment Zone and since expanded the Zone to include the Downtown core.

Incentives

Multiple pieces of legislation have been approved by the Council in developing a diverse array of incentives options, such as:

- A Facade Improvement Program
- Sales and Use Tax Rebate
- A Green Building Grant Program; AND
- An Historic Restoration Tax Abatement;

Private Investment

Orange barrels, scaffolding, cranes, and an army of workers clad in hard hats are more than just symbolic evidence of a downtown in transition. This is the private sector at the forefront of major investment in El Paso's downtown.

- This is the \$17.7M investment in renovating the old International Hotel into a new Doubletree Hotel by investor Jim Scherr.
- This is Paul Foster and Brent Harris renovating the currently vacant Mills Building and Plaza Hotel
- This is millions of dollars of real estate transactions taking place in downtown as groups of investors put together properties for projects.

- This is a city poised for a revitalized downtown that will make us all proud.

REDCo

- And speaking of re-vitalization, I must address the efforts of the Regional Economic Development Corporation (REDCo) who have been revving up our Economic Development engines.
- Since the last State of the City address, REDCo and partners announced 2,653 new jobs with a combined new payroll of over \$51.8 million.
- Over 90% of these jobs will be in place by end of 2008, and the 100% by the second Quarter of 2009.
- The companies that announced these new jobs are the following:
 - **Autoflug**
 - **Champlain Cable**
 - **United Blood Services**
 - **Alorica**
 - **ADP**
- REDCo and the City have closed 6 more transactions, with up to a combined total of 450 additional new jobs for the economy. All should make formal announcements in 2008—some of them very soon. Of these six, 4 are either a military-defense company or engaged in life sciences.

Workforce Development

- El Paso is fortunate to have a vibrant and growing economy.
- While other regions are losing jobs, El Paso is gaining; in April alone we gained 1600 jobs. Our unemployment rate is now 5.2%, down from 5.9% this time last year.
- As job numbers are climbing, the skills and educational requirements are also becoming more demanding.
- As the Chief Elected Officer of Workforce Solutions Upper Rio Grande I have been working in the six county region served by them in addressing workforce development issues.
- The Chamber of Commerce, as the Business Services Unit (BSU) contractor, is working with Workforce Solutions to develop a true demand driven model.
- With growing partnerships such as these, we can continue to make great strides for El Paso.

Who can not be impressed with the momentum our city is experiencing with lower unemployment rates, increases in new jobs created, strong sales tax revenue, one of the top ten housing markets in the nation and one of the top fastest growing cities in the nation?

In the greater economic context, you can see that El Paso's intense focus in cluster areas is paying off with our city's economy thriving and being left relatively unscathed during a time of national economic hardship.

Diplomacy and Collaboration

- The concept of regionalism does not end with a focus on economic development but extends in the larger context with regard to diplomacy on state, national and international levels.

Regional & State Relations

- I am proud to serve as the President of the Rio Grande Council of Governments, an regional organization that includes the seven counties of the immediate Rio Grande Area, from Brewster County, all the way through El Paso and the tip of Texas, to Doña Ana County, New Mexico.
- I am also fortunate and proud to represent our great city as the most recent president-elect of the Texas Municipal League, the leading municipal association in the state, which looks solely to provide services to Texas cities.
- Our continued high profile involvement across the state can absolutely impact our state-wide image and branding efforts, as well as develop our city's image as a recognized leader at the state level.

National Relations

- Our city has made a concerted and focused effort to work on a national level in Washington D.C. to realize collective accomplishments for our City.
- Along with the **Chambers** and other members of **Team El Paso** we make our presence known in Washington and have made significant progress along the way, bringing millions of dollars to El Paso for projects that range from acquiring new paratransit buses to removing sediment from the Rio Grande River.

International Relations

- We have a symbiotic relationship our sister city Ciudad Juarez, Mexico.
- Each year more than \$50 billion in trade moves back and forth across our bridges. That accounts for about 6% of the US economy.
- I would be remiss if I failed to address the current violence in Juarez. With the death toll surpassing 400, the atmosphere of fear is most evident on the streets of Juarez.
- Even though, with minor exceptions, those being murdered are participants in the drug trade, the violence has had an impact on the everyday lives of Juarensens.
- Tourism has all but evaporated. Businesses have closed. Fortunately, there has been little impact on international trade and the violence has not spilled across the border, as our law enforcement agencies are closely monitoring the situation.
- We will certainly keep our sister city in our prayers during these difficult times.

Bringing El Paso Together: For a common cause

IV. City Operations: Heeding the Call of the Community

- As the City of El Paso organization, we have shown that the council-manager form of government has been good for our community.
- The Council has defined its vision, mission and goals and the City Manager and her management team have executed those policies.
- **Quality of Life**

Digital El Paso

One initiative that has really “connected” the community, especially is the Digital El Paso project.

Digital El Paso had its genesis with the El Paso Lyceum. The pilot project, which went live in November 2007, is intended to make El Paso a “digital community” by expanding and providing connectivity to a diverse area that contains a range of stakeholders from commercial and government entities to schools and some of the most needy in our community.

The realization of this collaborative effort started with the support of over 15 organizations.

Digital El Paso has seen such success that it was recognized just a week ago by the State as the Best Collaborative Project in Texas. Thank you to all involved in this project.

Land-use components:

The Mayor and City Council, with the assistance and professional oversight of City staff and thousands of hours of volunteer commitment from the business community, have delved into landmark land use reform to include:

- The first-ever formal Parks and Recreation Plan,
- An Open Space Preservation Plan,
- A tree and landscape ordinance to better focus on the green space and community aesthetics,
- A total rewrite of the Zoning code
- A newly adopted, modernized subdivision code
- An alternative smart code
- A formal annexation plan and the baseline analysis for the possible implementation of impact fees so that new growth truly begins to pay for itself

All of these major pieces of legislation and public policy have allowed us to transform the way development and open space preservation occurs in the city now and in the future.

Focus on Neighborhoods

The City has made quality neighborhoods the central focus of our priorities by maintaining a strong Neighborhood Services division that has really made a difference in the way we approach neighborhood improvement and relations.

Neighborhood Revitalization Strategy Areas

One notable focus of the Neighborhood Services division is the push to create revitalization areas within the city, which are in dire need of attention, assistance and support.

The City has developed comprehensive strategies for revitalization that ranges from heightened code and law enforcement, and addressing social and economic issues, to making money available to residents for home improvement and home ownership.

The Chamizal and Lower Dyer Neighborhoods, the first two revitalization strategy areas, will see a \$50 million, five-year makeover that will not only improve the neighborhoods physically, but will also improve the social and economic well-being of the residents.

Neighborhood Improvement Program

The Neighborhood Improvement Program is an outgrowth of our neighborhood empowering strategy. This program sets aside funds for small capital investments that are prioritized by the citizens themselves.

One million dollars was set aside for this program, divided equally among the eight representative districts. Of that, City Council approved over \$528,000 in projects in the first round that touch on various types of park improvements and installation of residential street lighting among others. The most recent round approved 13 projects.

This is by far one of the most popular programs we have initiated in recent history.

- **High-Quality Service**

Public Safety

The City's public safety agencies continue to enjoy the highest standings in the nation.

El Paso was recently named the 2nd safest city for communities with populations over 500,000 – maintaining a nearly 10-year record as one of the top ranked safe cities in the country – a credit to our Police Department.

In 2007, the El Paso Police Department achieved an ambitious and historic certification of excellence and accreditation by the nationally recognized Commission for the Accreditation of Law Enforcement Agencies (CALEA), an achievement only 604 law enforcement agencies out of 18,000 have been granted.

Not to be outdone by El Paso's Finest, our El Paso Fire Department has continued to maintain its elite status as one of few Insurance Services Office (ISO) Class I departments across the country.

This ISO Class I ranking creates a residential insurance savings of 8.2% per residence and a commercial savings of 4% for all commercial business in the City.

With over 163,000 residences and over 18,700 licensed businesses, you can see the substantial impact the Fire Department's rating has on the community.

Additionally, the El Paso Fire Department and the Office of Emergency Management worked to bring over \$5.5 million in UASI grant monies to El Paso to address interoperability issues and the unique planning, equipment, training and exercise needs of high-threat, high density Urban Areas.

Sun Metro / Mass Transit

From a public transit system on the verge of a total collapse, Sun Metro has emerged a revitalized operation focused on getting back to the basics and looking at core services.

Because of the leadership of First Transit and the hard work and dedication of all Sun Metro employees -- the fruits of the operation's labors are being realized.

In its first year under new management, Sun Metro has seen:

- A 7.8% ridership increase,
- A 12% increase in on-time performance,
- A 72% decrease in missed service and
- An over 20% reduction in fixed-route road calls.

All of these efforts and improvement have not gone unnoticed, as Sun Metro has been awarded by the Texas Transit Association (TTA) with the Outstanding Metropolitan System Award for taking a leadership role in improving public transportation in Texas.

- **Addressing and Resolving Issues**

The hallmark of this administration is that we take issues head-on rather than leaving them for future administrations to tackle. One such issue was the police and fire unfunded liability.

This fund has been in financial jeopardy for over 20 years. When I came into office in 2005 that liability was a quarter of a billion dollars.

Left unchecked it would have jumped to half a billion by the time my first term as mayor was over. I could not let that happen.

The City and the Plan negotiated a detailed settlement where both sides shared in the solution. The agreed upon solution required State legislative amendments which the City and the Fund cooperated in obtaining. With these changes, the Fund is projected to return to properly funded levels.

El Paso's solution is now being used as a model for this challenge that is plaguing cities across the nation.

Public Health Department

The City of El Paso, as of January 2008, took over the Public Health function once shared between the City and the County.

This was not simply a response to a problem, but a valuable opportunity for the City organization to strategically address functionality issues in order to better meet the health service needs and requirements of our community.

With new leadership at the helm, the Department of Public Health is now focused on achieving specific results through its programs and partnerships, moving Public Health to a new level of service and accountability.

- I thank all of the city staff across the board for their hard work and dedication organization-wide for their commitment to customer service and results for the citizens of El Paso.

Bringing El Paso Together: For the love of our community

V. Supporting Personal Passions

City Council Focus

As the legislative leader of the El Paso City Council, I can state for a fact that each of the members on the Council has a deep love for their unique constituency and the El Paso community at large.

Each of the members of our City Council have spent hours upon hours of their time championing causes that are important to them and the community they serve.

Here is just a tip of the iceberg glance at projects our El Paso City Council has focused on.

In 2007, **District 1 Representative Ann Morgan Lilly** made it a priority to adopt an ordinance which restricts sex offenders from living within 1,000 ft. of a school, park or daycare, ensuring compliance, notification, tracking and verification of offenders in the area.

Representative Susie Byrd's office has focused on improvement efforts in three areas: preservation, participation and beautification, taking great pride in District 2 and in our great city.

Representative Melina Castro has fought for fiscal discipline on council and equity for the citizens of District 4 in Northeast El Paso.

Safety has been a top priority for **District 5 Representative Rachel Quintana**. Through hard work and cooperation with the residents of District 5, her district has been actively involved in submitting a high volume of Neighborhood Traffic Management requests and residential street light requests this year.

District 6 Representative Eddie Holguin, Jr. dedicated much of his time working with the community to address long-standing needs of the mission valley, like the creation of a shared public school at Blackie Chesser Park through interlocal agreement and the dedication of Singh Road into a City street.

District 7 Representative Steve Ortega has been involved in the coordination and creation of a location for the Crime Victims' Memorial Reading Garden that with Smart Growth policy, will convert 1.7 acres of barren land into an interactive memorial that benefiting stakeholders in that area.

A diversified focus has been a priority for **District 8 Representative Beto O'Rourke**, with his concentrated efforts to support the revitalization of downtown El Paso, more community opportunities for outdoor recreation and the citizens of the district – one example being the public recognition of the "Men from Company E".

Mayor's Personal Passions

- When reflecting upon what really are personal priorities and passions that are most near and dear to me as an individual citizen, but also as Mayor of this great city, I have to say that the list is a large one.
- So I would like to share with you a well-rounded look at some of the special initiatives that are standouts among the listing:

Feed the Homeless

I know many of you are familiar with my wife's Feed the Homeless Dinners. This has become a way for her and I to give back to a community that we know and love.

We have managed, though the assistance of many, many individuals and organizations, to serve over 12,000 meals to the needy in the El Paso community.

The 16 different shelters within the community have hosted us as we provide dinners to their residents.

The business community has played a huge role in supporting this initiative that provides an Annual Thanksgiving Lunch and monthly Feed the Homeless Dinners. By the donation of thousands of dollars to this project, the business community has made this a community, not city, funded project.

The business community deserves a generous round of applause.

Remaining true to Open Door Days

Accessibility, Accountability, Transparency

These were three commitments I made upon taking office.

Listening to the people you represent is probably one of the most important duties of elected office.

For the past three years I dedicated one day a month as Meet the Mayor Days. These open door sessions have given me a unique perspective about the issues that are important to our constituents.

In over 35 monthly meetings, I have spent over 175 hours meeting with more than 350 people. As I like to say, Meet the Mayor Day keeps me grounded in reality. While one would think only my constituents benefit from these sessions, I have found that I too get my fair share of rewards from them.

Bringing El Paso Together: For El Paso's future

VI. Focus ahead for '09

- Looking ahead, one of the most major areas of focus going into 2009 will be on enhanced transportation and mobility in our City.
- Transportation and mobility, when you really consider the implications and possibilities, can be the economic engine we know it can be.
- ***Discussions and action: Bus Rapid Transit***
We have been fortunate to see major successes in the area of Bus Rapid Transit or BRT.

BRT is an inexpensive, but equally efficient alternative to light rail, with successfully implemented systems around the world and in the U.S.

Last year in my State of the City address I optimistically stated we could see a pilot system up and running within a three-year time frame. While some folks, including those at the US Department of Transportation, scoffed at my optimism I am proud to announce that our pilot project BRT will be a reality by next January! This could not have been accomplished without the support of the Texas Transportation Institute, the Metropolitan Planning Organization and the management team at Sun Metro.

VII. Addressing A Major Issue

An issue I have left until the end of the speech is a current event that I feel merits some additional clarification and a more in-depth focus.

- ***Storm Water Utility***
No issue has torn at the fabric of this administration more than the controversial storm water district. It would seem that many El Pasoans have forgotten the flooding of 2006 that left us with a \$200 million repair bill. I'll allow each of you to decide how our storm system performed.

Ours had been long-ignored, under-funded system. We knew it merited an enhanced and concentrated focus. The Storm Water District was created after countless community meetings where community input was elicited.

The Utility, with the water and engineering expertise of the PSB, now owns the responsibility for the maintenance of over 1,300 acres of 267 ponding basins, over 100 miles that make up 87 drainage channels, almost 50 miles of agricultural drains and 16 pump stations around the city.

Since the formation of the Utility, we have heard a wide array of comments about the Utility. And you know what? We are listening – with both ears.

Rates were recently cut by almost 40% across the board. In addition, the PSB offered a 75% discount to schools, churches, and not for profits. We are still negotiating with the school districts and I am confident we will reach a compromise that will be satisfactory to all parties.

When you look at what is currently being paid, 90% of residential customers will pay less than \$3.00 a month – that is about a dime a day.

For a business example, of all the new car dealers combined, they pay \$9,700 per month in TOTAL.

I understand the differences in perception about the fee El Pasoans are paying to provide for adequate storm water operations, maintenance and capital improvements. But I also understand what it means to do the right thing in leaving the city in better shape than I found it.

With that, I will leave you with a poem, a song which defines my motivations on this and every issue.

THE GUY IN THE GLASS